



## SF Phosphates Limited Company

*A Utah Limited Liability Company*

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m/047/007

October 5, 1999

United States Department of the Interior  
Bureau of Land Management  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

RE: Bond Requirements; SF Phosphates LC. UTU76097

Dear Ms Abeyta:

SF Phosphate Limited Company (SF) is in receipt of your letter dated September 10, 1999. We acknowledge the BLM bonding requirement in the amount of \$53,040 for the eventual expansion of our Tailings Disposal Facility. We are currently revising our Mine and Reclamation Plan and associated bond with the Utah State Division of Oil, Gas and Mining (DOGM). We propose adjusting the existing bond posted with DOGM to be a joint agency (DOGM/BLM) bond which would address the BLM bond amount and revised DOGM amount after the revision has received DOGM approval. Based on discussions with DOGM staff, it is our understanding is that the current Memorandum Of Understanding (MOU) between DOGM and the BLM would allow such a joint agency bond to be posted with DOGM.

The current Reclamation Surety Bond held with DOGM is in the amount of \$2.2 million. This figure represents adequate funding to assure reclamation of all facilities, mine disturbance and the Tails Disposal Facility to elevation 5970 ft. This amount also includes a buffer to account for three years future mining disturbance. SF performs concurrent reclamation as mining progresses, with DOGM staff performing annual reviews of the disturbed versus reclaimed acreage.

As indicated in the Plan of Operations, the staged construction design of the dam expansion will result in no disturbance on BLM administered ground prior to the year 2005. The current dam elevation is 5955 ft above sea level and the current water level is 5935 ft. The lowest elevation of BLM ground to be disturbed is 5970+ft. Construction above 5970 ft is tentatively scheduled in 2007, but in no foreseeable case will it occur prior to 2005.

SF's preferred method of adjusting the reclamation bond would be to revise the existing surety posted with DOGM to reflect the revisions which will affect both BLM and SF lands. That surety revision would take place after receiving DOGM approval for the revision, but before any disturbances are created on BLM land. We believe this proposal would satisfy the bonding requirements of the BLM and DOGM while allowing SF to minimize the costs associated with advance bonding and avoid repetitive bond adjustments.

Please inform me if this proposal for one adjustment to the existing surety after DOGM approval of the revision would be acceptable to the BLM. If you have questions or need additional information please contact me at 435-781-3348.

Sincerely,

Ron Ryan  
Environmental/Reclamation Specialist

Cc: Anthony Gallegos, UDOGM

